



U.S. Department of Justice

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December 15, 2004

Event: Guilty Plea

Defendant: Timothy E. Wirth, 52, of West Bloomfield, Michigan

Date: December 15, 2004

**Mobile Park Owner Pleads Guilty After
Securing Bank Loans With False Statements**

Timothy Wirth pleaded guilty to making a false statement on a loan application to National City Bank and filing a false 1998 partnership return, signed under penalties of perjury, with the Internal Revenue Service. This plea was the result of a May 12, 2004, indictment on six counts of making a material false statement for the purpose of influencing the actions of a financial institution, two counts of bank fraud, four counts of filing a false tax return, signed under penalties of perjury, and three counts of failing to file a tax return. The plea was entered before United States District Court Judge David M. Lawson, in Bay City, Michigan.

According to the court records, in November 1995, Mr. Wirth applied for a \$350,000 loan from Franklin Bank of Southfield, Michigan. In the application, he represented that owned

Landmark Mobile Home Park located in Warren, Michigan, valued at \$1,350,000. Prior to approaching the bank, he filed a forged deed with the Macomb County Register of Deeds, conveying Landmark to himself. In reality, he owed in excess of \$400,000 pursuant to a land contract and had substantial monthly payments due. He again approached Franklin Bank in February and October 1997, to apply for further loans of \$750,000 and \$950,000, respectively. Part of the loan monies were used to pay off the previous loans. Again, he represented in his personal financial statements that he owned Landmark free and clear.

In June 1998, he again approached Franklin Bank for a \$30,000 loan and provided various documents, including a 1997 federal income tax return, which had never been filed with the Internal Revenue Service and contained a forged return preparer's signature.

In February 1999, Mr. Wirth applied for a loan with National City Bank of Saginaw, Michigan, stating that he owned White Birch Mobile Home Park, Birch Run, Michigan, valued at \$1,800,000 free and clear. In fact, Mr. Wirth knew that he owed a sizeable balance and was obligated to make substantial monthly land contract payments on White Birch. Mr. Wirth recorded with the Saginaw County Register of Deeds a warranty deed purportedly signed by the true owners conveying the property to him, when, in fact, the signatures were forgeries.

In April 1999, Mr. Wirth, yet again, applied for a loan, this time at Michigan National Bank, now doing business as Standard Federal in Saginaw, Michigan. He stated that he owned White Birch and other associated real estate, free and clear. He again submitted a 1997 federal tax return which was not filed with the Internal Revenue Service. Michigan

National Bank did inquire about the National City Bank loan, which Mr. Wirth falsely said it had been paid in full.

Although Mr. Wirth failed to timely file his 1997, 1998, and 1999 tax returns, in September 2003, he did file federal tax returns and partnership returns for 1997 and 1998, failing to report over \$197,000 in taxable income and all of his gross receipts from his mobile parks on the partnership returns.

Mr. Wirth's sentencing has been set for March 17, 2005 at 2:30 pm, United States District Court, Bay City, Michigan.

Mr. Morford commended the special agents of the Internal Revenue Service Criminal Investigation, Federal Bureau of Investigation and the Saginaw County Prosecutors Office for their work in this investigation. Assistant United States Attorney James A. Brunson is prosecuting the case.